

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
STATESVILLE DIVISION
CIVIL ACTION NO. 5:11-CV-158**

WILLIAM WALT PETTIT, *in his capacity*)
as Court-Appointed Receiver for the)
Biltmore Financial Group, Inc.)

Plaintiff,

v.

STEPHEN ALLEN, ET AL.,

Defendants.

ORDER

BEFORE THE COURT is Plaintiff's Motion to Dismiss Defendants Paul Barringer, Alma Barringer, Gracie Bolick, Tommy Houston, Martha Houston, Jonathan Lehman, Steve McRary, Mary McRary, and Beulah Sipe. (Doc. 77). According to the allegations in the Complaint, said Motion will result in the failure to recover around \$300,000 in false profits. (Doc. 1, at 9).

William Walt Pettit was appointed Receiver over all property, assets and records of the Biltmore Defendants in connection with Civil Action No. 08-CV-00136. The instant lawsuit seeks to recover proceeds that were distributed to the named defendants in order to compensate the victims of the Biltmore Ponzi scheme.

The Court has already indicated that it will not give the Receiver *carte blanche* over resolution of claims against Defendants. (Doc. 69). The Receiver indicated that it has considered various factors in dismissing the claims against each defendant. (Doc. 77, at ¶¶ 9-10). The Receiver indicated that it can and will submit individualized information regarding each Defendant, under seal, should the Court so desire. (*Id.* at ¶ 10 n.1). The Court desires such

information. Further, the Court would like the Receiver to address why certain Defendants were never served and whether the failure to serve certain Defendants impacts any potential defenses.

IT IS, THEREFORE, ORDERED THAT

- (1) The Court will reserve its ruling on the Receiver's Motion to Dismiss (Doc. 77); and
- (2) The Receiver shall file such information, under seal, as directed by the terms of this Order within fourteen (14) days.

Signed: May 13, 2015

A handwritten signature in black ink, reading "Richard L. Voorhees", written over a horizontal line.

Richard L. Voorhees
United States District Judge

